



Internationalization – Value creation through acquisition and consolidation – Switzerland as a case study

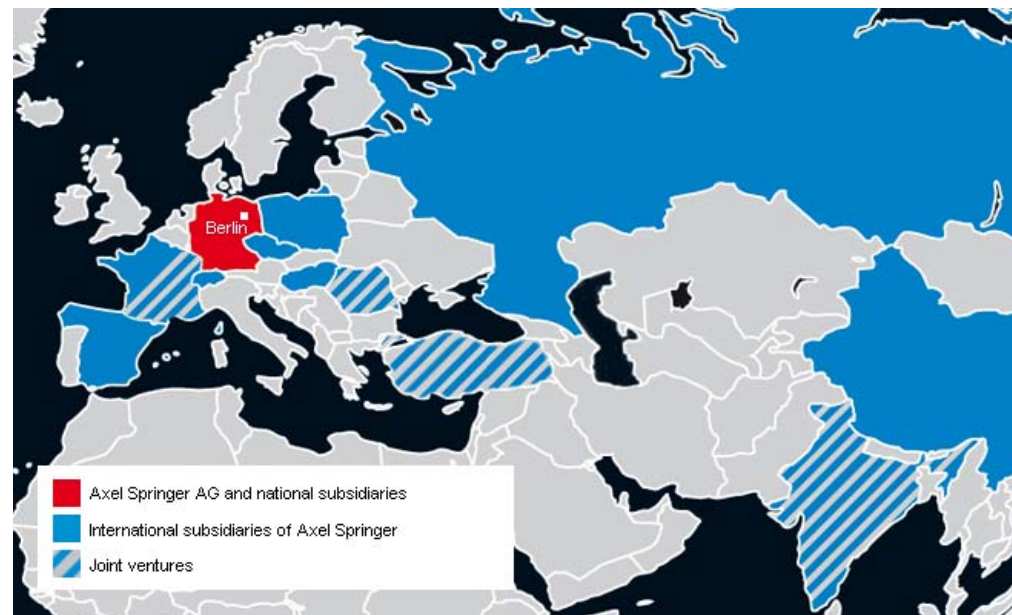
Capital Markets Day

Ralph Büchi, President Axel Springer International & CEO Axel Springer Switzerland
Berlin, October 6, 2008

axel springer 

International activities

- Worldwide more than 100 newspapers and magazines (outside Germany)
- Eight subsidiaries and four joint ventures abroad
- Central Eastern Europe: Poland, Hungary, Russia and Czech Republic
- Western and Southern Europe: Switzerland, France and Spain
- First steps in Asia: Online operations in China, joint venture in India



A strong international presence



Highlights

Poland



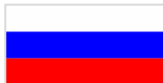
- FAKT: high profitability, biggest daily with 31% market share (sold circulation)
- NEWSWEEK with highest advertising revenues of all magazines

Hungary



- The country's biggest publishing company with over 30 magazines and 10 newspapers and extensive online portfolio

Russia



- FORBES: strong growth in ad revenues and high profitability

Spain



- Market leader in the computer, computer games and automobile magazines segment with 13 titles plus new online projects

Czech Republic



- The largest car magazine and car website publisher

France



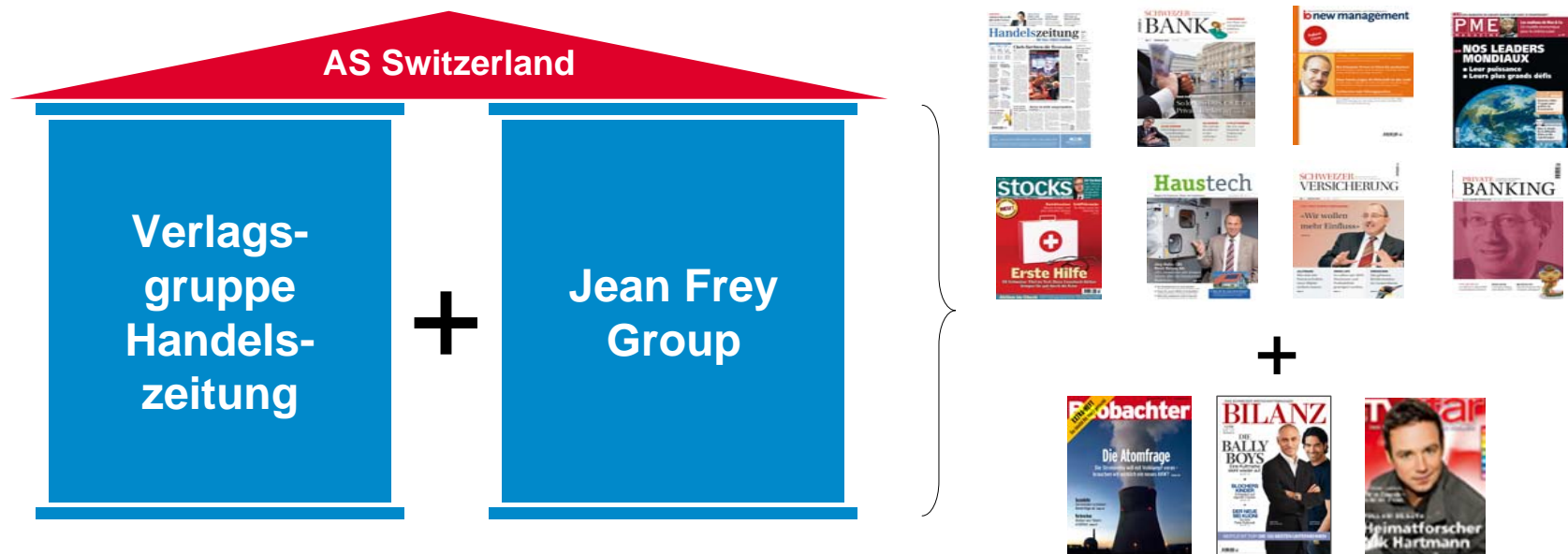
- Publisher of the weekly French market leader in automobile magazines AUTO PLUS in a joint venture with Mondadori France

Case study Switzerland: All beginnings are.... small



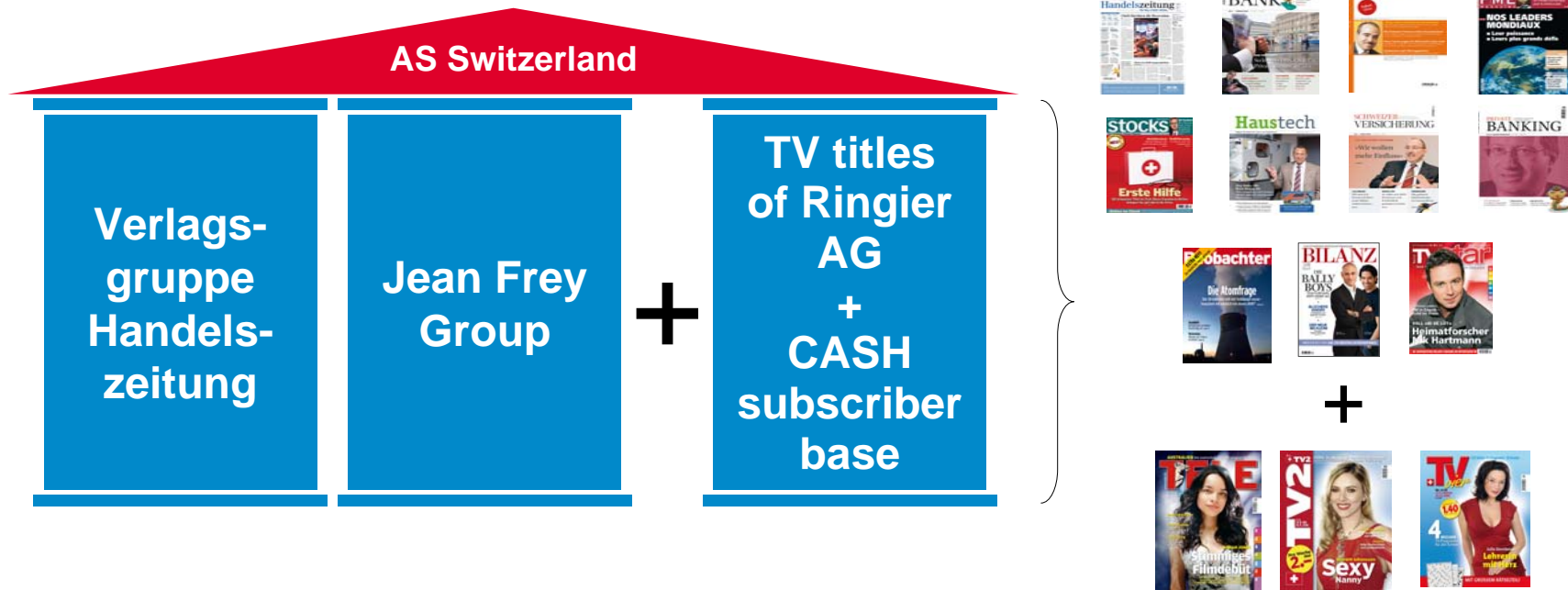
➔ At the end of 2006, Axel Springer Switzerland consists of the Verlagsgruppe Handelszeitung (HANDELSZEITUNG, STOCKS, six trade and technical periodicals, conference activities).

Step No 1: Acquisition of Jean Frey Group



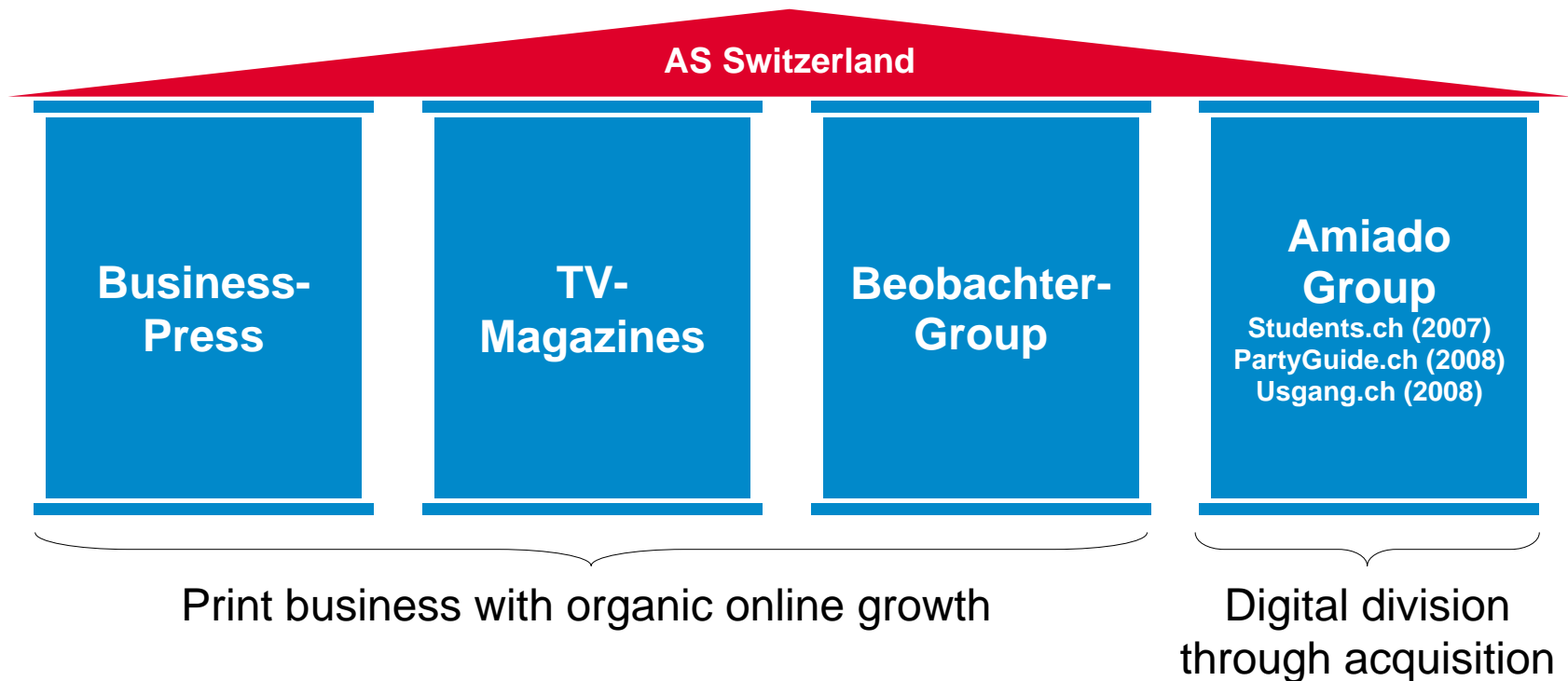
➔ In January 2007, AS Switzerland expanded its print business activities through the acquisition of Jean Frey Group.

Step No 2: Acquisition of TV titles of Ringier AG



➔ By purchasing the TV guides TELE, TV4 and TV2 in July 2007 of Ringier AG, AS Switzerland has become the market leader in television program guides.

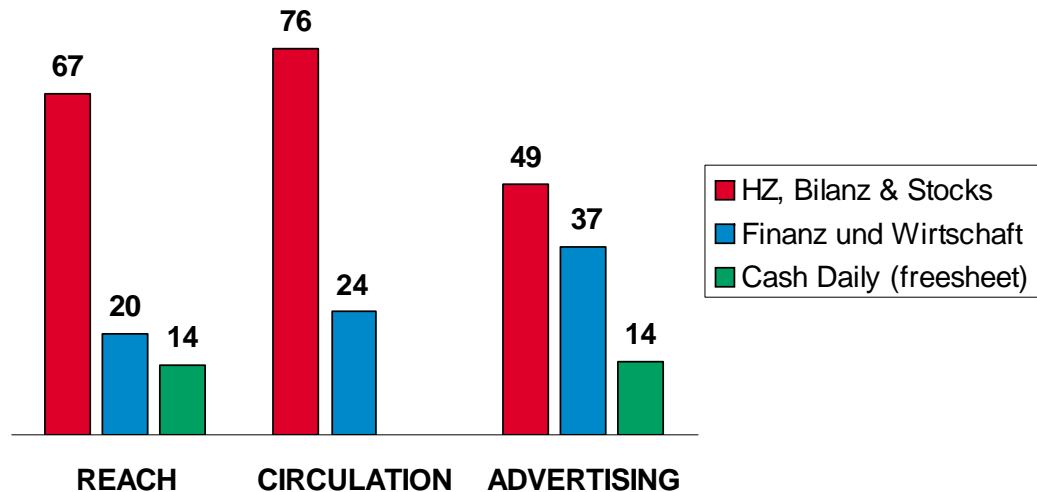
Step No 3: New online division and new organisational structure



➔ With the acquisition of Students.ch, PartyGuide.ch and Usgang.ch, Axel Springer Switzerland created its digital division.

Market leadership in segment of Business Press

Market shares in Business Press segment in %



= Excellent market positions with regard to reach, advertising and circulation market!

Source: MACH Basic 2008-2 (Reach German speaking Switzerland); WEMF Oktober 2008; Ad revenues: Gross ad revenues Media Focus Jan-Jul08

Dominating market position in TV program guides

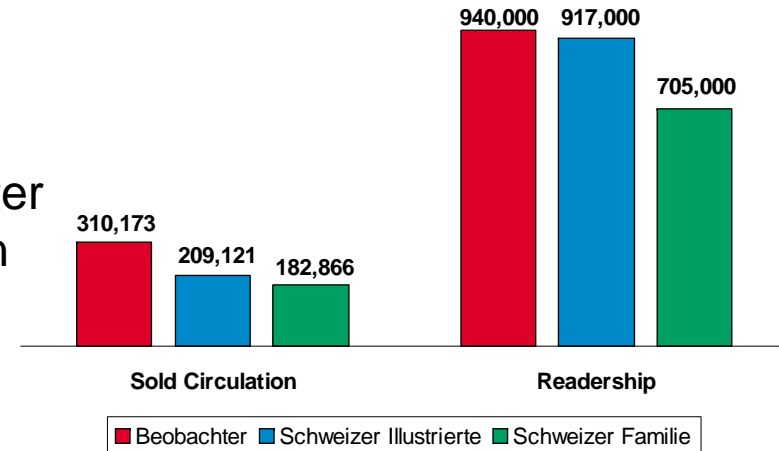
- With TELE, TVSTAR, TV2, and TVvier Axel Springer Switzerland is market leader in TV program guides. And TELE is Switzerland's biggest subscribed TV magazine.
- Our four titles reach **more than 1 million people** and hold the leading position in the advertising market.
- We are continuously improving our customer-orientation in the reader market:
 - June 08: TELEdigital is a new weekly supplement of digital TV listings, the first of its kind in Switzerland (as supplement of TELE).
 - Next steps: development of EPG together with our colleagues in Germany



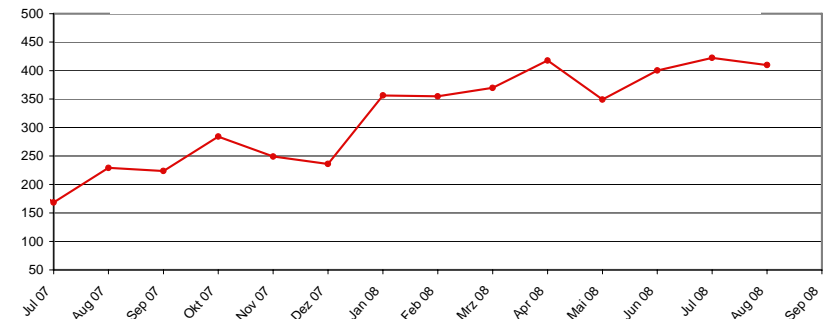
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The uniqueness of the Beobachter group

- *Beobachter-Magazine:* In terms of sold circulation and readership the Beobachter consumer magazine holds No 1 position compared to its direct competitors.
- *Beobachter-Online:* Its consistent service-orientation by the user-interactive platform Help-Online has paid out: the number of advices has increased by more than 100% since July 07.



Advices BEOBACHTER-HelpOnline Center (Index; May 2003=100)



We expand our strong print brands through consistent organic digitization

- 10/2007 Relaunch of HANDELSZEITUNG online

HandelszeitungOnline
& THE WALL STREET JOURNAL

- 11/2008 Relaunch of BEOBACHTER.ch

Beobachter

- 2009 Relaunches of BILANZ online, TELE / TV Star online and STOCKS.ch

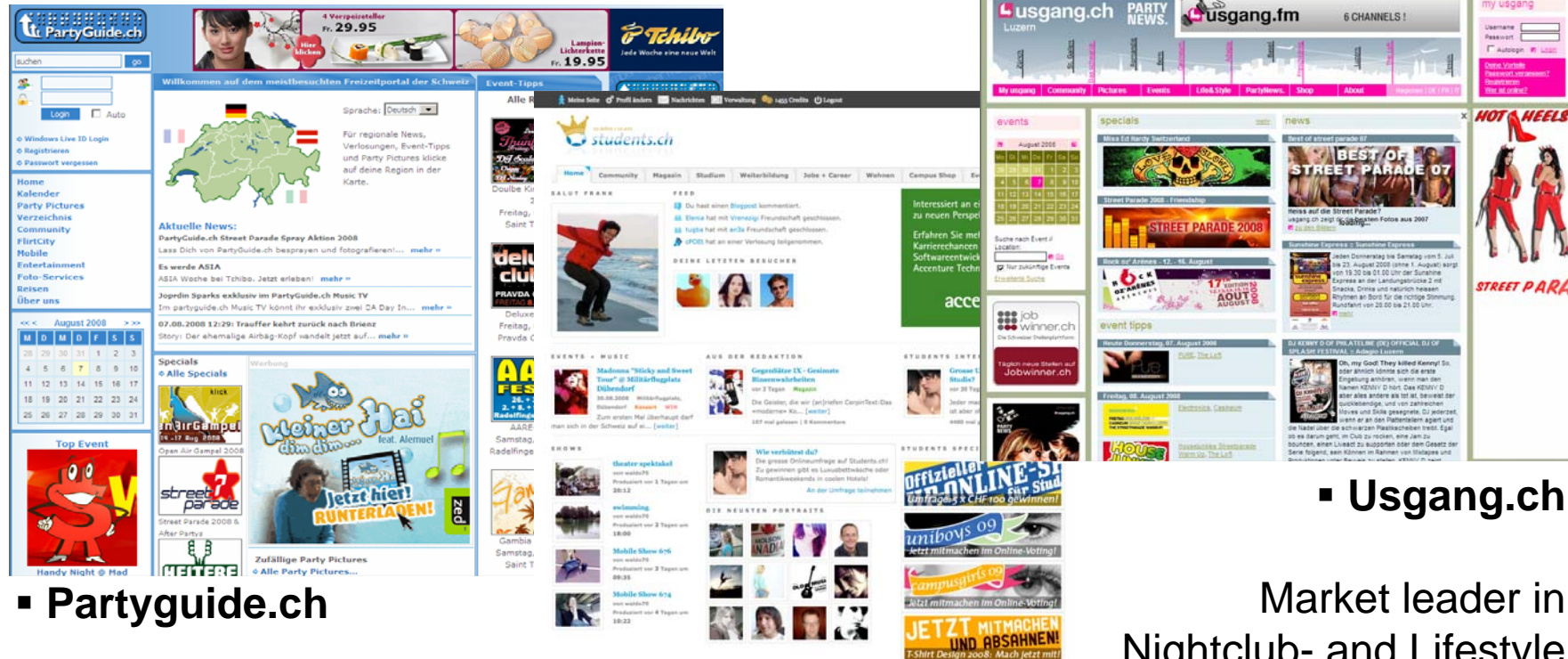
stocks

BILANZ
Das Schweizer Wirtschaftsmagazin

TVstar
DAS FERNSEH-MAGAZIN DER SCHWEIZ

TELE

Amiado Group: our new digital division



- **Partyguide.ch**

Most frequently visited internet platform of the younger generation between 18-34

- **Students.ch**

Biggest multi-service portal for university students in Switzerland

- **Usgang.ch**

Market leader in Nightclub- and Lifestyle premium segment

Online market leader for the young people

Pos.	Offer	Pls Total
1	Netlog	383,305,615
2	Bluewin	289,597,382
3	<i>Ricardo*</i>	269,701,653
4	Amiado Group	202,108,962
5	Scout24	174,450,656
6	Blick Online	107,008,972
7	20minuten.ch	93,576,397
8	homegate.ch	89,577,329
9	search.ch	57,892,719
10	Tilllate	49,775,896
11	Local	42,392,686
12	Lautundspitz	37,783,400
13	NZZ Online	29,021,461

* Only figures from June 2008 available

- The portals of Amiado Group are the clear online market leader in the target group of the 18-34 years old young Swiss.
- Through the aquisition of all three portals Amiado Group holds the 4th position (page impressions) amongst the most frequented sites in Switzerland.

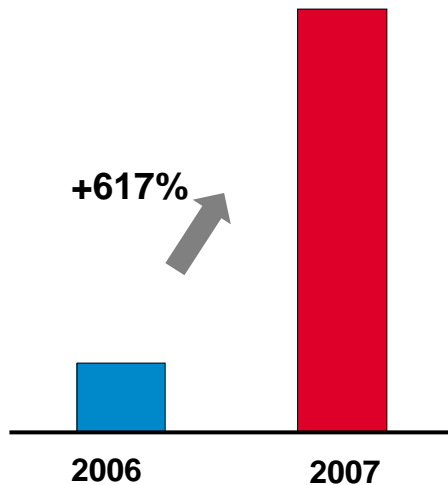
Netmetrix – Traffic figures January – August 2008; Key data of websites with the highest traffic in Switzerland

Acquisition and integration has lead to strong market positions...

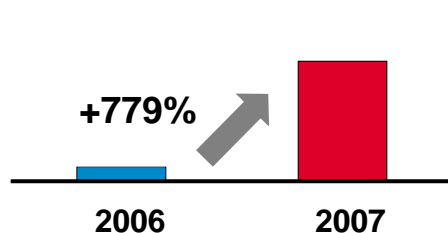
- One of the leading media companies in Switzerland
- Market leader in the business segment: 70% market share (sold circulation)
- Switzerland's most respected business newspaper: **HANDELSZEITUNG**
- Switzerland's one and only premium business magazine: **BILANZ**
- Market leader in paid and sold TV listings
- Biggest subscription based magazine in Switzerland: **BEOBACHTER**
- Biggest multi-service portal for college students in Switzerland: **Students.ch**
- Online market leader in the segment of young people (18-34 years):
Partyguide.ch/Usgang.ch

... and to excellent results

Revenue growth



EBITDA growth



- Integration successfully concluded in the first half 2008
- Acquisitions in 2007 (print and online) are highly profitable, delivering earnings that have surpassed the original assumptions at the time of the acquisition.
- Profit margins of all acquired businesses are substantially higher today than before the merger. The synergies have come through.
- Positive trend goes on in 2008: EBITDA growth overproportional to the increase of turnover